

**BEFORE THE POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001**

Postal Rate and Fee Changes, 2006

Docket No. R2006-1

**INTERROGATORIES AND REQUESTS FOR PRODUCTION
OF DOCUMENTS OF PITNEY BOWES INC. TO UNITED STATES
POSTAL SERVICE WITNESS LILLIAN WATERBURY
(PB/USPS-T10-1-2)**

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, Pitney Bowes Inc. ("Pitney Bowes") directs the following interrogatories and requests for production of documents to United States Postal Service Witness Lillian Waterbury. If the witness cannot answer a question or subpart, we request that the Postal Service answer through another witness or submit an institutional response.

Respectfully submitted,

/s/

James Pierce Myers
Attorney at Law
1211 Connecticut Avenue, NW
Suite 610
Washington, DC 20036
Telephone: (202) 331-8315
Facsimile: (202) 331-8318
E-Mail: jpm@piercemyers.com

Michael F. Scanlon
PRESTON GATES ELLIS &
ROUVELAS MEEDS LLP
1735 New York Avenue, NW
Washington, DC 20006
Telephone: (202) 628-1700
Facsimile: (202) 331-1024
E-Mail: mscanlon@prestongates.com

Counsel to PITNEY BOWES INC.

DATED: June 20, 2006

PB/USPS-T10-1. Please confirm that the Cost Segment 14 attributable cost in TY 2008 for First-Class Mail Presorted Letters is \$428.828 million. If you cannot confirm, please explain why, and provide documents or citations sufficient to verify your response.

PB/USPS-T10-2. Please confirm that, all else being equal, volume variable costs are reduced when volume declines. If you cannot confirm, please explain why, and provide documents or citations sufficient to verify your response.